

## Message Text

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PAGE 01 BUENOS 05219 041620Z

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 EB-07

COME-00 TRSE-00 OPIC-03 AID-05 IGA-01 /072 W

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R 041450Z AUG 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 2145

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E.O. 11652: N/A

TAGS: EFIN, EGEN, AR

SUBJECT: ECONOMIC ROUND-UP AUGUST 1

REF: BUENOS AIRES 4960

1. SINCE HIS APPOINTMENT JULY 22, ECONOMY MINISTER BONANNI HAS MADE NO MOVE TO OUTLINE A PROGRAM OR ANNOUNCE MAJOR ECONOMIC MEASURES. HE HAS APPOINTED A NEW SECRETARY OF FINANCE, ALFONSO FRANGIPANI, AN ECONOMIST AND ACCOUNTANT WHO HAS INDUSTRY, UNIVERSITY AND CIVIL SERVICE EXPERIENCE. MOST RECENTLY HE WAS A SENIOR OFFICIAL IN THE NATIONAL SAVINGS BANK (CAJA NACIONAL DE AHORRO).

2. DR. BONANNI'S MAJOR STATEMENT SO FAR, CARRIED ON RADIO AND TV JULY 31, WAS RECEIVED WITH DISAPPOINTMENT. HE BRIEFLY REVIEWED THE ECONOMIC PROBLEMS FACED BY ARGENTINA-- NOW ONLY TOO WELL KNOWN--AND OFFERED NOTHING MORE POSITIVE THAN PLANS FOR A CONVOCAION OF REPRESENTATIVES OF GOVERNMENT, MANAGEMENT, LABOR AND THE ARMED FORCES TO DEVELOP AN EMERGENCY PLAN. BOTH PRESS AND PUBLIC REACTION WERE LUKE WARM AND REFLECTED DISAPPOINTMENT AT THE LACK OF A MORE POSITIVE ANNOUNCEMENT. IT APPEARS THAT BONNANNI MOVING CAUTIOUSLY, WISHES TO AVOID THE MISTAKES OF FORMER ECONOMICS MINISTER RODRIGO AND ASSURE HIMSELF OF POLITICAL SUPPORT BEFORE ADOPTING NEW POLICIES.

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PAGE 02 BUENOS 05219 041620Z

3. IN FURTHER DEVELOPMENTS DURING THE LAST FEW DAYS, THE

CENTRAL BANK HAS ESTABLISHED REDISCOUNT CREDITS TOTALING 5 BILLION PESOS TO ASSIST PRIVATE FIRMS IN MEETING INCREASED WAGE AND SALARY PAYMENTS. THE ECONOMY MINISTRY HAS AUTHORIZED SUBSTANTIAL INCREASES IN PRICES FOR CHEMICAL PRODUCTS.

A FINAL DECISION HAS NOT BEEN MADE BY THE GOA ON WAGE INCREASES FOR GOVERNMENT EMPLOYEES ALTHOUGH A FIGURE WELL IN EXCESS OF 100 PERCENT IS NOW BEING MENTIONED IN THE PRESS. DURING THE WEEK OF AUGUST 4 NEW REGULATIONS FOR IMPORTS AND EXPORTS ARE EXPECTED.

4. COMMENT: GOA ECONOMIC POLICIES MAY WELL DRIFT FOR PRESENT UNTIL POLITICAL SITUATION MMORE DEFINED.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PERSONNEL APPOINTMENTS, ECONOMIC REPORTS, ECONOMIC PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 AUG 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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